



October 26, 2011

Dr. Randall C. Johnson, Director
ALABAMA SURFACE MINING COMMISSION
P.O. Box 2390
Jasper, AL 35502-2390

RE: **Southland Resources, Inc.**
Searles Mine No. 5, P-3894, R-12
Delay in Contemporaneous Reclamation

Dear Dr. Johnson:

Southland Resources, Inc. has authorized McGehee Engineering Corp. to begin preparation of Searles Mine No. 8 for submittal to the ASMC. The Operation Plan of Searles Mine No. 8 will provide for commencement of overburden removal to begin along the final highwall to be created at Searles Mine No. 5, P-3894 in the NW/NE of Section 7, Township 20 South, Range 7 West. Mining will advance to the southeast.

On behalf of Southland Resources, Inc. I am requesting a delay in contemporaneous reclamation for the final highwall area described above for approximately twelve (12) months. Searles Mine No. 8 proposed permit will be submitted within approximately two (2) months of this request along with a revision to Searles Mine No. 5, P-3894 addressing areas of the current Increment No. 4 that will be transferred to Searles Mine No. 8 for spoil area.

If you should have any questions or need additional information, please contact our office.
Sincerely,

McGehee Engineering Corp.

A handwritten signature in blue ink, appearing to read "Jeff Aldridge", is written over the printed name.

Jeff Aldridge